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September 28, 2018

The Honorable Robert Lighthizer U.S. Trade Representative 600 17th Street NW Washington, DC 20508

Dear Ambassador Lighthizer,

I write to reiterate key North Dakota agricultural priorities as you work to finalize renegotiations of the North American Free Trade Agreement (NAFTA).

Since your confirmation last year, I have appreciated your willingness to discuss and correspond on multiple occasions on the importance of exports for North Dakota's farmers and ranchers. While there have been some challenges and desire to update portions of NAFTA from an agricultural perspective, we must do right by our farmers and ranchers as to not further disrupt the long-standing trade relationships they have worked years to develop with our neighbors.

In addition to maintaining market access, there are specific ongoing concerns that must be addressed, including: Canadian grain grading standards, Canadian dumping of red and yellow potatoes, and country of origin labeling for meat.

First, it is imperative the final agreement reform Canada's grain grading standards. Under Canada's grading system, wheat grown in North Dakota is unable to receive a premium grade, even if the wheat was a variety registered in Canada. This allows *de facto* segregation of U.S. grown grain and a reluctance from Canadian grain handlers to handle U.S. grain in their bulk handling system. This has been a longstanding issue for U.S. wheat and barley producers, and has repeatedly been recognized as a market access barrier by the U.S. Department of Agriculture and USTR.

Second, the agreement must address the dumping of red and yellow potatoes. Canada has closed its borders to U.S. fresh potatoes through its Ministerial Exemption program but the United States has left its borders wide open to receive Canadian imports at the expense of the U.S. potato industry. Canada is taking full advantage of this open border opportunity by increasing its exports to the U.S. market and we must work to ensure more equitable trade conditions are achieved for our fresh potato growers.

Additionally, country of origin labeling for meat remains a top concern for consumers who want to know where their meat comes from and North Dakota ranchers who take great pride in raising

their product. Consumers deserve to know where their meat comes from, particularly after the scandals involving soiled and contaminated meat in Brazil. While the previous country of origin labeling case was technically a World Trade Organization issue, it is vital for the United States to reach an agreement addressing this in NAFTA.

Finally, I am very concerned about reports I am hearing that efforts may be underway to weaken our sugar program in order to achieve concessions elsewhere in the agreement. I strongly disagree with this position and would urge you to reject any proposal that harms U.S. sugar producers and processors. North Dakota farmers have been hurt by other countries dumping sugar into the U.S. market thus we must remain strong in defending U.S. sugar policy, which costs taxpayers nothing, but provides our own farmers and rural communities with a fair shot.

As I have stated previously, I will oppose ratification of any agreement which diminishes market access for North Dakota's farmers and ranchers to Canada and Mexico. It is my hope that as you work to wrap-up negations, a semblance of certainty may be restored for agricultural producers – in an otherwise turbulent period in our history of free trade – and the final agreement does not further harm agricultural markets.

Sincerely,

Heidi Heitkamp United States Senate